

Thule Group»

Thule Group United Nations Global Compact 2018 Communication on Progress



CEO statement

2018-11-07

Dear Mr UN Secretary General

I am pleased to confirm that Thule Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Magnus Welanders
CEO and President of Thule Group



Description of practical actions or plans

Human Rights

Principles 1-2

The Thule Group Code of Conduct is based on guidelines and principles from the UN Global Compact, International Labour Organisation, and the Organisation for Economic Cooperation and Development. The Code of Conduct outlines policies and guidelines regarding human rights, health and safety, ethics, harassment, and discrimination, internal behaviour codes. The Code of Conduct requirements apply to the Thule Group Board of Directors, management, employees, suppliers, sub-suppliers, contractors, and partners. Corporate Social Responsibility (CSR) audits ensure that we and our suppliers follow these requirements, and correct possible non-compliances. The Thule Group Whistleblowing Policy and Tool also support the protection of human rights via safe grievance reporting, ensuring we are not complicit in any human rights abuses. Training and documents are provided to all employees, in the Code of Conduct and the internal corporate governance manual. Corrective actions are required if human rights violations are identified via audits. Violations reported via the Whistleblowing tool are managed jointly by Thule Group's Compliance Coordinator and Thule Group external legal law firm who also decides how an investigation should be planned and executed before involving others.



Labour

Principles 3-6

The Thule Group Code of Conduct and internal corporate governance manual outline our recognition that all employees, suppliers, contractors, and partners have the freedom of association and the right to collective bargain agreements. These rights are communicated to all employees in the Code of Conduct training and to our stakeholders via the public Code of Conduct. The updated 2018 Code of Conduct outlines the Thule Group labour requirements in more detail than in the previous version. These clarified requirements, based on ILO standards, concern our zero tolerance policies regarding forced labour, compulsory labour, prison labour, child labour, slavery, and human trafficking. Obligatory labour trainings are conducted via the Thule Group Compliance Tracking System. Labour requirements are monitored and assessed via CSR audits, including but not limited to minimum wages, overtime rates of pay, working hour limits, and minimum working age. Violations can always be reported via the public Thule Group



Whistleblowing Tool. The Code of Conduct prohibits child labour of any person below age 15, or below age 18 if conducting hazardous work. If the regional law stipulates a minimum working age requirement that is higher, then we adhere to that requirement. The Code of Conduct also contains language defining and prohibiting discrimination and harassment of any kind. These requirements apply during both employment and the recruitment process. Internal regular Employee Satisfaction Surveys, internal audits, CSR audits at suppliers and the Whistleblowing Tool serve as mechanisms to prevent, identify, and correct labour violations.

Environment

Principles 7-9

Thule Group supports precautionary environmental approaches, as outlined in the Code of Conduct. Thule Group is continuously investing in new and energy efficient technology to reduce climate impacts, is shifting to 100% renewable sourced electricity by 2020, and is constantly seeking to reduce waste. We continuously update our prohibited and restricted substances list, based on stringent and precautionary limits that are often beyond those of national and international requirements. Audits are also used to assess environmental impacts of both new and existing suppliers, providing feedback and guidance on precautionary principles and best practices. We continuously gather more data about our environmental impacts, which allows us to create new environmental targets based on our progress with our existing targets.

Our environmental focus is now expanding to better include measurable targets for materials, water, and environmental impacts of our supply chain. The internal eco-design programme and trainings have also integrated sustainability into our design procedures. We have commissioned numerous life-cycle analyses (LCAs) for our products, in order to increase our understanding of their carbon footprints and identify where we can make the biggest carbon reductions. New sites are also designed for efficiency and for increased use of environmentally friendly technologies. The newest operational site in Pila, Poland is fitted with a rainwater catchment system and an array of solar PV panels for example. Best practices and tips are shared among our sites via quarterly reporting meetings.



Anti-Corruption

Principle 10

The Code of Conduct outlines the principles of fair and ethical business that we require from all Thule Group Board members, management, employees, suppliers, contractors, and partners. The Thule Group Anti-Bribery Policy provides more specific details about our requirements regarding our zero-tolerance policy for bribery, extortion, money laundering, and other forms of corruption. Both new and existing employees receive training and updates regarding these policies, via the Thule Group Compliance Tracking System and face to face training. The Thule Group Corporate Compliance Program provides the structure for relevant training, monitoring, distribution of responsibilities, and points of contact. The Whistleblowing Tool allows both internal and external stakeholders to report

breaches in these policies, negative conditions, or any other irregularities. Internal audits according to the rules and guidelines in our Thule Corporate Manual, Internal Audits according to our Thule Group Finance Manual and quarterly and annual audits done by our external auditors are tools in preventing and discovering potential breaches against corruption.

Measurement of outcomes

Human Rights

Principles 1-2

- Since 2015, Thule Group has conducted and facilitated over 80 internal and external CSR supplier audits which ensure the protection of human rights throughout our supply chain. We have identified some violations in Europe and Asia, which were remedied with corrective actions and follow-up reviews.
- Thule Group annual self-assessments of our 9 sites consistently monitor human rights.
- We aim to conduct 20 1st tier audits and three 2nd tier audits in 2019, followed by 25 1st tier audits and five 2nd tier audits in 2020. Training and planning for these expanded CSR supplier audits have also been completed.
- The Code of Conduct has been updated in 2018 to better clarify our human rights principles and requirements.

Workplace accidents



Labour

Principles 3-6

- Workplace accidents have decreased by 59% between 2015 and 2018.
- No cases of forced, compulsory, or child labour have been identified in 2018 or ever before that.
- In 2018, the Code of Conduct was updated to include clarified definitions of forced and compulsory labour, child labour, and discrimination. It also states that our requirements apply to our sites, our suppliers, and our sub-suppliers. We added specific working age limits and clarified that our discrimination requirements apply to both employment and hiring processes.
- 1,552 employees answered our annual Employee Satisfaction Survey, which showed that our Employee Satisfaction Index level increased compared to 2017 and reached an average of 76%.

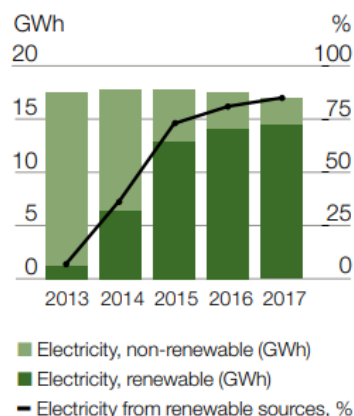


Environment

Principles 7-9

- Our CO₂ emissions have decreased by 1,406 tonnes in 2017, compared to 2016. Compared to 2014, our CO₂ emissions have decreased by 55%.
- Between 2012 and 2018, our water consumption has decreased by 20%.
- In 2017, our recycling rate reached over 97%.
- 85% of our electricity came from renewable resources in 2017, compared to 81% in 2016.
- In 2017, a lifecycle analysis of the Thule Yepp Nexxt Maxi child bike seat concluded that the plastic components were responsible for 73% of the product's CO₂ emissions. We plan to conduct more LCA studies to guide our material targets for our products.
- A rainwater catchment system installed in our Pila, Poland site in 2017 resulted in an 8% reduction in water consumption.

Electricity (GWh) and proportion from renewable sources, %



Anti-Corruption

Principle 10

- Thule Group has not been involved in any legal cases, rulings, or other events related to bribery, money laundering, extortion, or any other forms of corruption in 2018.
- In 2018, the Code of Conduct was updated to include links to our policy documents regarding anti-bribery, trade sanctions, and whistleblowing.
- Internal Finance audits and regular audits conducted quarterly and annually via our external auditors ensure our compliance according to IFRS-accounting principles and our Corporate Compliance guidelines. Four times a year the Audit Committee also reviews Thule Group's compliance in all aspects of accounting principles and or compliance to laws and regulations.

References

[Thule Group 2017 Annual and Sustainability Report](#)

[Thule Group Anti-Bribery Manual](#)

[Thule Group Code of Conduct](#)

[Thule Group Prohibited and Restricted Substances](#)

[Thule Group Trade Sanctions Policy](#)

[Thule Group Whistleblowing Policy](#)

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